

(F) all of the conditions contained in subparagraphs (A), (B), (C), (D), and (E) have been met for one-half (or more) of the number of days preceding the December 31 included within the taxable year (or if the taxable year does not include December 31, the last day of such year) of the franchised corporation,

then such franchised corporation shall be treated as an excluded member of such group, under subsection (b)(2), for such taxable year.

(Added Pub. L. 88-272, title II, §235(a), Feb. 26, 1964, 78 Stat. 120; amended Pub. L. 91-172, title IV, §401(c), (d), Dec. 30, 1969, 83 Stat. 602; Pub. L. 91-373, title I, §102(b), Aug. 10, 1970, 84 Stat. 696; Pub. L. 94-455, title XIX, §1906(b)(13)(A), Oct. 4, 1976, 90 Stat. 1834; Pub. L. 98-369, div. A, title II, §211(b)(22), July 18, 1984, 98 Stat. 757; Pub. L. 99-514, title X, §1024(c)(17), Oct. 22, 1986, 100 Stat. 2408; Pub. L. 100-647, title I, §1018(s)(3)(A), Nov. 10, 1988, 102 Stat. 3587.)

#### AMENDMENTS

1988—Subsec. (d)(1)(B). Pub. L. 100-647 substituted “paragraphs (1), (2), and (3) of subsection (e)” for “subsection (e)(1)”.

1986—Subsec. (b)(2)(D). Pub. L. 99-514 struck out “or section 821” after “section 801”.

1984—Subsecs. (a)(4), (b)(2)(D). Pub. L. 98-369 substituted “section 801” for “section 802”.

1976—Subsecs. (b)(4), (f)(3)(B). Pub. L. 94-455 struck out “or his delegate” after “Secretary”.

1970—Subsec. (f)(1). Pub. L. 91-373 substituted “by paragraphs (1) and (2) of section 2131(d)” for “in section 3306(i)”.

1969—Subsec. (a)(2). Pub. L. 91-172, §401(c), redesignated existing provisions with minor changes as par. (A) and added par. (B).

Subsec. (c)(2)(A)(iv). Pub. L. 91-172, §401(d)(1), added cl. (iv).

Subsec. (c)(2)(B). Pub. L. 91-172, §401(d)(2), substituted “5 or fewer persons who are individuals, estates, or trusts (referred to in this subparagraph as ‘common owners’) own” for “a person who is an individual, estate, or trust (referred to in this paragraph as ‘common owner’) owns” and in cl. (ii), substituted “any of such common owners”, “any of the common owners” for “such common owner” and “the common owner”, respectively and added cl. (iii).

#### EFFECTIVE DATE OF 1988 AMENDMENT

Section 1018(s)(3)(B) of Pub. L. 100-647 provided that: “The amendment made by subparagraph (A) [amending this section] shall apply to taxable years beginning after the date of the enactment of this Act [Nov. 10, 1988].”

#### EFFECTIVE DATE OF 1986 AMENDMENT

Amendment by Pub. L. 99-514 applicable to taxable years beginning after Dec. 31, 1986, see section 1024(e) of Pub. L. 99-514, set out as a note under section 831 of this title.

#### EFFECTIVE DATE OF 1984 AMENDMENT

Amendment by Pub. L. 98-369 applicable to taxable years beginning after Dec. 31, 1983, see section 215 of Pub. L. 98-369, set out as an Effective Date note under section 801 of this title.

#### EFFECTIVE DATE OF 1969 AMENDMENT

Amendment by Pub. L. 91-172 applicable with respect to taxable years ending on or after Dec. 31, 1970, see section 401(h)(3) of Pub. L. 91-172, set out as a note under section 1561 of this title.

#### EFFECTIVE DATE

Section applicable with respect to taxable years ending after Dec. 31, 1963, see section 235(d) of Pub. L.

88-272, set out as an Effective Date of 1964 Amendment note under section 1551 of this title.

#### SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in sections 38, 41, 52, 120, 127, 129, 144, 147, 179, 194, 243, 263A, 267, 269B, 368, 382, 384, 404, 409, 414, 447, 460, 465, 585, 593, 613A, 806, 831, 848, 861, 904, 936, 943, 993, 1042, 1202, 1504, 1551, 1561, 5061 of this title; title 2 section 691e; title 29 sections 1060, 1107, 1322; title 42 section 1395w-25.

#### [§ 1564. Repealed. Pub. L. 101-508, title XI, § 11801(a)(38), Nov. 5, 1990, 104 Stat. 1388-521]

Section, added Pub. L. 91-172, title IV, §401(b)(1), Dec. 30, 1969, 83 Stat. 600; amended Pub. L. 94-455, title XIX, §§1901(b)(1)(J)(vi), (21)(A)(ii), 1906(b)(13)(A), Oct. 4, 1976, 90 Stat. 1791, 1797, 1834, related to transitional rules in the case of certain controlled corporations.

#### SAVINGS PROVISION

For provisions that nothing in repeal by Pub. L. 101-508 be construed to affect treatment of certain transactions occurring, property acquired, or items of income, loss, deduction, or credit taken into account prior to Nov. 5, 1990, for purposes of determining liability for tax for periods ending after Nov. 5, 1990, see section 11821(b) of Pub. L. 101-508, set out as a note under section 29 of this title.

### Subtitle B—Estate and Gift Taxes

Chapter	Sec. <sup>1</sup>
11. Estate tax .....	2001
12. Gift tax .....	2501
13. Tax on generation-skipping transfers ...	2601
14. Special valuation rules .....	2701

#### AMENDMENTS

1990—Pub. L. 101-508, title XI, §11602(c), Nov. 5, 1990, 104 Stat. 1388-500, added item for chapter 14.

1986—Pub. L. 99-514, title XIV, §1431(b), Oct. 22, 1986, 100 Stat. 2729, struck out “certain” after “Tax on” in item for chapter 13.

1976—Pub. L. 94-455, title XX, §2006(b)(1), Oct. 4, 1976, 90 Stat. 1888, added item for chapter 13.

#### SUBTITLE REFERRED TO IN OTHER SECTIONS

This subtitle is referred to in sections 404, 877, 6019, 6211, 6212, 6213, 6214, 6404, 6501, 6662, 6871, 6901, 7491, 7701, 7702 of this title.

### CHAPTER 11—ESTATE TAX

Subchapter	Sec. <sup>1</sup>
A. Estates of citizens or residents .....	2001
B. Estates of nonresidents not citizens .....	2101
C. Miscellaneous .....	2201

#### CHAPTER REFERRED TO IN OTHER SECTIONS

This chapter is referred to in sections 529, 646, 664, 667, 1014, 1040, 2519, 2612, 2624, 2642, 2651, 2652, 2661, 2663, 2701, 6103, 6161, 6163, 6212, 6314, 6324, 6324A, 6501, 6601, 6662, 6871, 6901, 6905, 7269, 7404, 7463, 7481, 7517, 7851, 7872 of this title.

### Subchapter A—Estates of Citizens or Residents

Part	
I. Tax imposed.	
II. Credits against tax.	
III. Gross estate.	
IV. Taxable estate.	

#### PART I—TAX IMPOSED

Sec.	
2001.	Imposition and rate of tax.

<sup>1</sup> Section numbers editorially supplied.

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